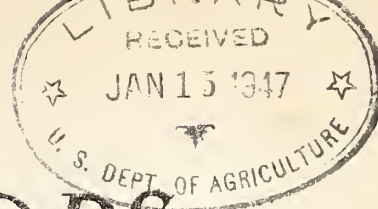


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FOREIGN CROPS *and* MARKETS

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L A T E . C A S E S

Argentine Government has authorized purchase by the Grain Board of new flaxseed crop at 9.25 pesos per quintal (about 70 cents per bushel) delivered at Buenos Aires, purchases to begin December 1. Grain Board is authorized to secure promise from growers that acreage will not be increased and if requested will be reduced not to exceed 10 percent next year. Future markets for flaxseed and sunflower seed were closed by Governmental decree simultaneously with announcement of minimum prices.

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Wool prices in the Buenos Aires market have declined somewhat and are now more in line with United States offers. Significant volume of sales to the United States completed past week. Earlier sales were largely for the local industry and for speculation.

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Montevideo wool market quiet during week of November 15 due to high prices asked by sellers and reluctance of American buyers to meet them. Without fundamental price adjustment the market is expected to remain paralyzed. Sales for season so far (October 1 - November 15) totaled 25 million pounds against 50 million for same period last year.

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G R A I N S

WORLD WHEAT AREA INCREASED
BUT PRODUCTION SLIGHTLY REDUCED
AND TRADE LIMITED ¹/ . . .

Althouth the 1941-42 world wheat area was somewhat increased over that of 1940-41, production appears likely to fall slightly below that of last year, largely as a result of unfavorable weather conditions in several important producing regions, according to information received in the Office of Foreign Agricultural Relations. It should be pointed out, however, that many countries have not released official crop statistics since the outbreak of the European War, and estimates for Southern Hemisphere countries are as yet based mostly on unofficial trade and press reports. Total exports from the four large surplus countries declined by about 88 million bushels during July-June 1940-41, chiefly because of the smaller shipments from Argentina and the United States. With the exception of the United Kingdom and China, practically all of the large importing markets reduced their takings, but contrary to the previous season, some quantities were shipped into Spain and the Near East, and the movement of North African wheat to France was increased.

Acreage Increased But Production Declined

Incomplete data indicate that a total area of nearly 408 million acres was seeded to wheat for the 1941-42 crop as compared with 406.4 million acres in 1940-41 and the average for 1933-34 to 1937-38 of almost 398 million acres. Most of the increase occurred in Europe, particularly in the British Isles, but some expansion appears to have taken place on all continents, except North America, where the decrease in Canada was too great to be offset by the increase in the United States.

Present indications point to a world wheat crop in the neighborhood of 6,020 million bushels as compared with about 6,030 in 1940-41. Should the Southern Hemisphere outturns prove larger than now expected, the total crop this year may be fully equal to that of last year. Unfavorable weather conditions, mostly during June, July, and August, combined with fertilizer shortages, insufficient labor supplies, and war operations in important areas, exacted a heavy toll from the growing wheat crop of the world. The only important countries so far that harvested crops above early expectations were the United States and Australia.

As to the Soviet Union, official estimates of recent years have not taken harvesting losses into consideration and so appear exaggerated. Official figures have, therefore, been adjusted downward in the world totals, and approximations for 1939-1941, for which no official estimates have been received, have been included, based on available information.

¹/ Hally H. Conrad, Assistant Agricultural Economist.

WHEAT: Acreage by country and continent, average 1933-34 to 1937-38,
annual 1938-39 to 1941-42

| Country and continent | Average : 1933-34 to : 1937-38 | : 1938-39 | : 1939-40 | : 1940-41 | : 1941-42 |
|-----------------------------|--------------------------------------|-----------|-----------|-----------|-----------|
| | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| North America | acres | acres | acres | acres | acres |
| United States | 51,470 | 69,869 | 53,482 | 53,503 | 56,783 |
| Canada | 25,053 | 25,930 | 26,756 | 28,726 | 22,372 |
| Mexico | 1,201 | 1,240 | 1,410 | 1,450 | 1,368 |
| Guatemala | 34 | 44 | - | - | - |
| Total | 77,758 | 97,083 | 81,680 | 83,700 | 80,550 |
| Europe | | | | | |
| United Kingdom | 1,826 | 1,928 | 1,767 | - | - |
| Ireland | 156 | 230 | 255 | 305 | 491 |
| Spain | 10,892 | 8,648 | 8,639 | 8,735 | 9,547 |
| Portugal | 1,302 | 1,134 | 1,248 | - | - |
| Switzerland | 171 | 183 | 188 | 191 | - |
| Greece | 1,988 | 2,126 | a/ 2,356 | a/ 2,599 | a/ 2,297 |
| Albania | 98 | 89 | - | - | - |
| Malta | 9 | 10 | 10 | - | - |
| Italy | 12,540 | 12,432 | 12,841 | 12,566 | 12,207 |
| Germany | 5,291 | 5,037 |) 6,002 |) - |) - |
| Austria | 592 | 619 |) |) |) |
| Czechoslovakia | 2,268 | 2,216 | b/ 1,200 | b/ 1,050 | b/ 1,100 |
| Poland | 4,279 | 4,335 | 4,356 | - | - |
| France | 13,113 | 12,479 | 11,683 | - | - |
| Belgium | 403 | 429 | 305 | 354 | - |
| Luxemburg | 42 | 57 | 42 | - | - |
| Denmark | 294 | 325 | 330 | 203 | - |
| Netherlands | 355 | 311 | 306 | 332 | - |
| Norway | 57 | 86 | 102 | 100 | - |
| Sweden | 715 | 762 | 833 | 763 | 707 |
| Finland | 175 | 323 | 336 | 344 | - |
| Lithuania | 513 | 501 | 512 | 498 | - |
| Latvia | 333 | 348 | 378 | - | - |
| Estonia | 160 | 172 | 185 | - | - |
| Bulgaria | 3,026 | 3,448 | 3,036 | 3,509 | 3,500 |
| Hungary | 3,910 | 4,000 | c/ 4,625 | c/ 4,313 | - |
| Romania | 8,212 | 9,435 | 10,079 | - | - |
| Yugoslavia | 5,235 | 5,262 | 5,444 | 5,182 | - |
| Total | 77,955 | 76,925 | 77,150 | 72,600 | 74,800 |
| Soviet Union | 91,870 | 102,576 | - | - | - |
| Africa | | | | | |
| Algeria | 4,151 | 4,101 | 4,084 | - | - |
| French Morocco | 3,213 | 2,999 | 3,188 | - | - |
| Egypt | 1,443 | 1,470 | 1,501 | 1,563 | 1,561 |
| Tunisia | 1,870 | 1,665 | 2,104 | 1,359 | 1,347 |

Continued -

WHEAT: Acreage by country and continent, average 1933-34 to 1937-38, annual 1938-39 to 1941-42 - Continued

| Country and continent | Average : 1933-34 to 1937-38 | : 1938-39 | : 1939-40 | : 1940-41 | : 1941-42 |
|-----------------------|------------------------------|-----------|-----------|-----------|-----------|
| | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| Africa, Continued | acres | acres | acres | acres | acres |
| Union of South Africa | 1,830 | 2,083 | 2,131 | - | - |
| Kenya | 51 | 62 | - | - | - |
| Libya | 62 | 156 | - | - | - |
| Eritrea | 13 | - | - | - | - |
| Anglo-Egyptian Sudan | 21 | 20 | - | - | - |
| Angola | 23 | 17 | - | - | - |
| Basutoland | 135 | 217 | 209 | - | - |
| Southern Rhodesia | 20 | 18 | 17 | 20 | 17 |
| Northern Rhodesia | 3 | 3 | - | - | - |
| Total | 12,835 | 12,825 | 13,450 | 12,700 | 12,950 |
| Asia | | | | | |
| China | d/ 48,175 | - | - | - | - |
| Manchuria | 2,770 | 2,681 | 3,190 | 2,518 | - |
| Japan | 1,638 | 1,777 | 1,827 | 2,062 | 2,027 |
| Chosen | 809 | 846 | 859 | - | - |
| India | 34,079 | 35,640 | 35,441 | 34,003 | 34,862 |
| Palestine | 515 | 473 | 423 | 575 | - |
| Iran | e/ 4,235 | - | - | - | - |
| Iraq | 1,559 | 1,799 | - | - | - |
| Syria and Lebanon | 1,313 | 1,404 | 1,429 | - | 1,600 |
| Cyprus | 180 | 190 | 195 | - | - |
| Turkey | 7,980 | 9,507 | 9,818 | - | - |
| Total | 103,253 | 100,500 | 101,200 | 100,600 | 102,000 |
| South America | | | | | |
| Argentina | 16,342 | 19,247 | 12,734 | a/ 17,507 | a/ 17,915 |
| Chile | 1,990 | 2,045 | 2,046 | 1,930 | - |
| Uruguay | 1,183 | 1,256 | 1,165 | 926 | 1,042 |
| Brazil | 395 | - | - | - | - |
| Peru | 270 | 301 | 335 | 321 | - |
| Colombia | 402 | - | - | - | - |
| Total | 20,850 | 23,800 | 17,200 | 21,600 | 22,100 |
| Australasia | | | | | |
| Australia | 13,091 | 14,346 | 13,284 | 12,454 | 12,654 |
| New Zealand | 234 | 189 | 258 | 243 | - |
| Total | 13,325 | 14,535 | 13,542 | 12,697 | 12,950 |
| World total | 397,650 | 428,250 | 406,700 | 406,400 | 407,850 |

Harvested areas as far as possible. Totals and subtotals include approximations for countries left blank.

a/ Sown area. b/ Estimate of area not included with Germany and Hungary.

c/ New boundaries; not strictly comparable with previous years.

d/ International Institute of Agriculture Annual, 1938-39; appears somewhat high. e/ Acreage reported for 1930.

WHEAT: Production by country and continent, average 1933-34 to 1937-38, annual 1938-39 to 1941-42

| Country and continent | Average : 1933-34 to : 1937-38 | : 1938-39 | : 1939-40 | : 1940-41 | : 1941-42 |
|-----------------------------|--------------------------------------|----------------|----------------|----------------|----------------|
| | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| <u>North America</u> | <u>bushels</u> | <u>bushels</u> | <u>bushels</u> | <u>bushels</u> | <u>bushels</u> |
| United States | 641,372 | 931,702 | 751,435 | 816,698 | 961,194 |
| Canada | 247,821 | 360,010 | 520,623 | 551,390 | 302,626 |
| Mexico | 11,590 | 11,939 | 14,771 | 13,337 | 11,709 |
| Guatemala | 300 | 481 | - | - | - |
| Total | 901,083 | 1,304,132 | 1,287,200 | 1,381,800 | 1,275,900 |
| <u>Europe</u> | | | | | |
| United Kingdom | 61,848 | 73,349 | 61,565 | - | - |
| Ireland | 5,460 | 7,398 | 10,377 | 11,700 | - |
| Spain a/ | 142,903 | 96,000 | 105,448 | 79,412 | 108,944 |
| Portugal | 17,035 | 15,802 | 18,962 | 9,920 | 14,900 |
| Switzerland | 5,514 | 7,341 | 5,886 | 6,063 | - |
| Greece | 26,166 | 36,019 | 38,238 | 32,938 | 23,900 |
| Albania | 1,663 | 1,393 | - | - | - |
| Malta | 271 | 296 | 279 | - | - |
| Italy | 267,045 | 300,701 | 293,210 | 261,252 | 262,715 |
| Germany | 177,099 | 204,954 |) | - | - |
| Austria | 14,436 | 16,207 |) 202,760 | - | - |
| Czechoslovakia | 58,371 | 66,660 | b/ 40,000 | b/ 32,000 | b/ 35,000 |
| Poland | 75,858 | 79,802 | 83,407 | - | - |
| France | 299,650 | 360,121 | 273,470 | 187,975 | - |
| Belgium | 15,799 | 20,131 | 12,822 | - | - |
| Luxemburg | 1,093 | 1,830 | 945 | - | - |
| Denmark | 12,770 | 16,935 | 15,406 | 6,955 | - |
| Netherlands | 15,664 | 15,938 | 15,304 | - | - |
| Norway | 1,684 | 2,637 | 2,860 | 2,530 | - |
| Sweden | 24,945 | 29,546 | 31,631 | 15,459 | 12,493 |
| Finland | 4,579 | 9,403 | 8,503 | 6,908 | 6,224 |
| Lithuania | 8,997 | 9,233 | 9,583 | - | - |
| Latvia | 6,574 | 7,052 | 7,774 | - | - |
| Estonia | 2,609 | 3,139 | 3,133 | 2,792 | - |
| Bulgaria | 53,647 | 78,951 | 69,004 | - | - |
| Hungary | 81,070 | 98,778 | 113,102 | - | - |
| Rumania | 111,788 | 177,155 | 163,611 | 89,295 | - |
| Yugoslavia | 86,334 | 111,330 | 105,660 | 69,327 | - |
| Total | 1,580,889 | 1,848,100 | 1,694,500 | 1,300,000 | 1,410,000 |
| Soviet Union c/ | 1,200,000 | 1,500,000 | - | - | - |
| <u>Africa</u> | | | | | |
| Algeria | 34,408 | 34,942 | 42,622 | 27,600 | - |
| French Morocco | 24,331 | 23,172 | 38,764 | 23,900 | - |
| Egypt | 42,305 | 45,935 | 49,008 | 49,994 | 41,529 |
| Tunisia | 13,118 | 13,962 | 18,555 | 10,656 | 15,065 |

Continued -

WHEAT: Production by country and continent, average 1933-34 to 1937-38, annual 1938-39 to 1941-42 - Continued

| Country and continent | Average : 1933-34 to : 1937-38 | : 1938-39 | : 1939-40 | : 1940-41 | : 1941-42 |
|-----------------------------|--------------------------------------|----------------|----------------|----------------|----------------|
| | 1,000 | 1,000 | 1,000 | 1,000 | 1,000 |
| <u>Africa, Continued</u> | <u>bushels</u> | <u>bushels</u> | <u>bushels</u> | <u>bushels</u> | <u>bushels</u> |
| Union of South Africa.. | 15,824: | 17,388: | 15,310: | 16,163:d/ | 16,000 |
| Kenya | 591: | 915: | - : | - : | - |
| Libya | 390: | 1,249: | 761: | - : | - |
| Eritrea | 125: | - : | - : | - : | - |
| Anglo-Egyptian Sudan .. | 221: | - : | - : | - : | - |
| Angola | 359: | 235: | - : | - : | - |
| Basutoland | 866: | 1,216: | 1,330: | - : | - |
| Southern Rhodesia | 140: | 119: | 175: | 182: | 160 |
| Northern Rhodesia | 35: | - : | - : | - : | - |
| Total | 132,700: | 139,500: | 168,000: | 131,900: | 133,100 |
| <u>Asia</u> | | | | | |
| China e/ | 758,000: | 640,000: | 667,000: | 700,000: | 720,000 |
| Manchuria | f/ 33,822:f/ | 34,318:e/ | 31,232:e/ | 27,558:e/ | 29,800 |
| Japan | 46,478: | 45,244: | 61,086: | 66,134:d/ | 53,000 |
| Chosen | 9,248: | 10,401: | 12,565: | 10,222: | - |
| India | 356,459: | 401,856: | 371,952: | 401,968: | 373,520 |
| Palestine | 3,215: | 1,633: | 3,277: | 5,144: | - |
| Iran | g/ 73,397: | - : | - : | - : | - |
| Iraq | 15,634: | 22,046: | - : | - : | - |
| Syria and Lebanon | 16,241: | 23,674: | 22,303: | - : | - |
| Transjordan | 2,799: | 3,127: | 6,188: | - : | - |
| Cyprus | 2,077: | 2,017: | 2,510: | - : | - |
| Turkey | 113,016: | 156,720: | 154,475: | 150,831:d/ | 128,600 |
| Total | 1,430,400:1, | 1,414,000:1, | 1,426,600:1, | 1,483,350:1, | 1,438,800 |
| <u>South America</u> | | | | | |
| Argentina | 225,152: | 379,142: | 119,453: | 271,173:d/ | 210,000 |
| Chile | 31,230: | 35,511: | 31,558: | 28,898: | - |
| Uruguay | 13,252: | 15,461: | 9,901: | 7,058: | - |
| Brazil | 5,405: | 6,257: | 6,731: | - : | - |
| Peru | 2,582: | 3,787: | 4,106: | 3,858: | - |
| Colombia | 3,517: | - : | - : | - : | - |
| Total | 282,350: | 444,750: | 176,000: | 323,700: | 264,500 |
| <u>Australasia</u> | | | | | |
| Australia | 158,719: | 155,369: | 210,277: | 82,639: | 166,096 |
| New Zealand | 7,408: | 5,564: | 8,010: | 8,306:d/ | 10,000 |
| Total | 166,127: | 160,933: | 218,287: | 90,945: | 176,000 |
| Estimated world total.. | 5,500,000:6, | 5,86,000:6, | 6,203,000:6, | 6,032,000:6, | 6,018,000 |

Totals and subtotals include approximations for countries left blank.

a/ 1936-1937 unofficial. b/ Estimate for territory not included with Germany and Hungary. c/ Since these figures do not take into account heavy harvesting losses, they were adjusted downward by about 10-15 per cent in the world total. d/ Unofficial. e/ Office, American agricultural attaché, Shanghai. f/ South Manchurian Railway estimates. g/ 1933-1936.

Estimates of wheat production in China are also to be treated with reservations. Because of the vastness of the country and the simple small-scale farming methods generally employed, no complete agricultural census has been made. On the basis of reports for the more important wheat regions, approximations of total production have been made in the office of the American agricultural attaché at Shanghai for recent years, and these are shown merely to give some indication of China's place in world wheat production. The crop of China and that of Russia in recent years have had little effect on the world wheat situation, since they were consumed almost entirely within the respective countries.

North American Crop Reduced

The 1941 wheat area of North America was reduced by about 3 million acres from that of 1940, but was still 3.8 percent above average. A total crop of about 1,276 million bushels was harvested, which was the smallest reported since 1937 and about 100 million bushels less than was harvested last year. In the United States the wheat acreage for harvest in 1941 was increased by over 3 million acres, and yields per acre, particularly of spring wheat, were unusually high. While some late harvesting losses were reported, resulting from too much rain, the total wheat outturn of 961 million bushels was well above early expectations and, in fact, the largest reported since 1915.

The Canadian crop, on the other hand, was smaller than anticipated from early prospects. Despite the decrease in acreage from 28.7 to 22.4 million acres, the average yield per acre of 13.5 bushels was nearly 6 bushels smaller than in 1940 and 3.6 bushels less than the long-time average. The total outturn of 302.6 million bushels, although in accord with the 1941 wheat program to reduce production to about 300 million bushels, was unevenly distributed. In the Province of Manitoba, normal conditions prevailed and good yields were obtained, but high temperatures and lack of sufficient moisture in the Provinces of Alberta and Saskatchewan resulted in greatly reduced crops. It has been announced that as a result of the poor returns, Government assistance will be given to the farmers in these Provinces in the form of acreage bonuses for areas of declared crop failures.

Both acreage and production were reduced in Mexico this year. Weather conditions were unfavorable in many sections, and it appears probable that final returns may total somewhat below the present estimate of 11.7 million bushels, which would make Mexico more dependent than usual upon imports to meet domestic requirements.

European Acreage and Production Increased

European wheat seedings appear to have been increased by about 2 million acres for the 1941 crop, from an estimated total of 72.6 for 1940 to 74.8 million acres, but were still well below the 1933-1937

average. Although the crops of many countries are reported to have shown improvement over those of last year, they were generally below average. Adverse weather, especially during August, reduced outturns from earlier expectations; the total crop, excluding that of the Soviet Union, appears from available information to have amounted to about 1,410 million bushels as against 1,300 million in 1940 and the 1933-1937 average of 1,581 million bushels. For the Continent alone, it is estimated that around 1,322 million bushels were harvested this year, as compared with only 1,218 million last year, but very few official estimates were released, and practically none may be considered as final. From the standpoint of production alone, however, with no consideration given to last year's probable drain on reserve stocks, it appears that the wheat situation in Europe is better than at this time last year but supplies are below normal consumption.

Perhaps the most marked increases over 1940 occurred in France and Spain, where the respective crops were greatly reduced last year. The greatest declines are indicated in such countries as Sweden, Finland, and Greece. In the Danubian countries, wheat production appears to have been below average both years, with some slight improvement this year in all except Hungary. Changes in boundaries make it difficult to appraise these crops on a basis comparable with earlier years. In Italy, production was also below average both years, but a small gain was reported this year over last. Reports for Germany indicate a crop slightly above average and that of last year, but considerably below the large harvests of 1938 and 1939.

On the British Isles, strenuous efforts have been made to increase the domestic production of wheat and thus reduce dependence upon imports. A plow-up campaign was inaugurated in the United Kingdom after the outbreak of the war, whereby a grant of £2 (\$8) per acre was extended to all farmers who diverted long-standing grasslands to wheat or other food crops. The wheat acreage was therefore greatly expanded this season. The weather, however, was unfavorable during April, May, and part of June. Conditions then improved, and, while yields appear to have been only average, the increase in acreage is reported to have resulted in the largest crop for many years. The wheat acreage of Ireland is reported to have been more than three times the average of 1933-1937 and production to have been greatly increased, but no official figures are available as to final returns.

In attempting to reach some conclusion regarding the world wheat crop this year, no account has been taken of the effect upon Russian production of the German invasion. Early reports pointed to a total wheat crop in the Soviet Union as large, if not larger than that of 1940. Although some of the harvest may have been lost or destroyed, the crop produced and harvested is estimated to be equal to that of last year for the purpose of making a world total.

African Acreage and Production
Appear Slightly Increased

Chiefly because unofficial estimates from the important North African countries of Algeria, Morocco, and Tunisia were considerably larger than reported last year, acreage and production estimates for all Africa total above those of last year. In Morocco, a record harvest was reported. In Egypt, however, the crop was greatly reduced from that of last year and was slightly below average, although official figures placed the area seeded only a little under the large acreage of 1940. Efforts are said to have been made to increase domestic production in the Union of South Africa, but weather reports have not been altogether favorable, and the outturn has been unofficially placed at 16 million bushels, or about average.

Asia's Crop About Average
From Slightly-Expanded Area

The acreage sown to wheat in Asia this year appears to have been somewhat larger than that of last year, but the total crop smaller. Many countries, however, for which fairly reliable production estimates have been received, have not reported any acreage figures. Increases in the crops of China and Manchuria were partially offset by a marked decline in Japan, and the outturn of India was smaller than that of last year despite an increase in seedings. Reports regarding the 1941 Turkish crop are conflicting, but it is unofficially placed below the 1940 outturn.

South American Crop
Expected to be Reduced

Little is known of the current wheat crop of South America. As Argentina leads all the other countries by such a large margin, any increase or decline in its crop is reflected in the total for the Continent. Argentine seedings were increased this year, but the crop is reported to have been damaged by frosts in northern parts and, until recently, to have suffered generally from lack of moisture. Unofficial estimates range from 180 to 220 million bushels. A larger acreage was reported to have been sown in Uruguay this year, and several South American Governments have taken steps to encourage the domestic production of wheat in order to lessen their dependence on imports, but any slight gain in the production of those countries would be offset by the indicated decline in Argentina.

Australasian Acreage and
Production Increased

The wheat crops of Australia and New Zealand this year will total considerably higher than last, when the former was only about half its normal size. The first official estimate for Australia this season was

placed at 166 million bushels from about 12.7 million acres as compared with 83 million bushels in 1940-41 from 12.5 million acres. Harvesting is now under way, with the quality of the grain reported to be good. Domestic production this year in New Zealand is expected to fill that country's home requirements, according to unofficial figures. A crop of 10 million bushels from 300,000 acres is forecast as compared with 8 million bushels last year from 243,000 acres.

Prospects for World Trade in Wheat Continue Limited

As in the past year, prospects for international trading in wheat during the current marketing season, beginning July 1, continue to be limited by various wartime restrictions. Record exportable stocks in the Northern Hemisphere and a fairly heavy surplus in the Southern make the relationship between huge supplies, on the one hand, and restricted import markets, on the other, even more unbalanced than last year. Not only do the countries of continental Europe remain inaccessible, except in a few special cases involving imports under British navicerts, but the great market of the United Kingdom may be a less active importer this year, since domestic wheat production is large, and stocks are reported to be at the highest level reached since the outbreak of the war.

In the Orient, where reduced rice supplies would ordinarily point to the substitution of wheat and increased wheat consumption, the strict control exercised by Japan over practically all phases of the oriental wheat trade is precluding any marked expansion in imports into the markets of China, Manchuria, or the Japanese Empire. The only remaining import market of significance for wheat is that of the deficit Latin American countries, which appear unlikely to increase their total takings this season. In fact, a tendency toward reducing imports has been apparent of late.

WHEAT, INCLUDING FLOUR: Exports by principal surplus countries,
July-June marketing years, average 1933-34 to 1937-38,
annual 1938-39 to 1940-41

| Country | Average 1933-34 to 1937-38 1,000 <u>bushels</u> | 1938-39 1,000 <u>bushels</u> | 1939-40 1,000 <u>bushels</u> | 1940-41 1,000 <u>bushels</u> |
|---------------------|---|------------------------------------|------------------------------------|------------------------------------|
| United States | 40,648 | 115,784 | 54,274 | 40,562 |
| Canada | 182,641 | 159,885 | 210,212 | 209,555 |
| Australia | 104,202 | 96,423 | 79,541 ^{a/} | 83,000 |
| Argentina | 128,216 | 116,116 | 177,008 | 100,062 |
| Total | 455,707 | 488,208 | 521,035 | 433,179 |

Compiled from official statistics, except as noted.

^{a/} Unofficial estimate.

Official trade statistics for July-June, 1940-41 were in many cases more fragmentary than crop estimates. Total exports of wheat, including flour as grain, from the four large exporters of the world were, however, surprisingly well maintained. The greater part of the decline from the previous year occurred in Argentine shipments. No information is available regarding overseas imports into Europe and little is known concerning the intra-European trade. It is believed, however, that the volume of this trade reached a new low level during the past season.

Canada Accounted for Bulk
of Wheat Exported Last Season

During 1940-41 Canada accounted for the largest share of wheat entering international trade channels. Although details regarding the destinations of the wheat and flour leaving Canada have not been published since December 1940, most of the shipments appear to have been destined for British markets, with small amounts for the British West Indies, the Latin American countries, and the Orient.

Canada began the season of 1940-41 with a record carry-over of old-crop wheat, a near-record new crop, inadequate storage facilities, and restricted export prospects. In order to handle the great surplus equitably, farmers were encouraged to store their own grain as far as they were able, and deliveries to the grain elevators were restricted to quotas based on seeded acreages. Accelerated exports during the latter part of the season, increased feeding to livestock, and the reduction in production this year reduced supplies for the current season, and Canada entered the 1941-42 season with a considerably smaller exportable surplus. Exports have been maintained so far in considerably larger volume than those of the corresponding period of 1940. A greater need for wheat feeding this season, resulting from reduced feed-grain production, has also lightened the prospective wheat surplus for the year.

Australia's exports appear better than expected

As far as can be determined, Australia's exports during the past season were larger than anticipated.^{1/} and a relatively small surplus will remain for carry-over into the new season. The movement was facilitated by considerable demand for Australian wheat and flour in Oriental and Near Eastern markets combined with some sizeable takings by the United Kingdom. Of the new crop, placed at 166 million bushels, the Australian Wheat Board will take over 140 million bushels at the guaranteed price of 3 shillings 10 pence per bushel (about 56 cents), bagged, f.o.b. shipping points, and 26 million bushels will remain for seed and consumption on farms.

^{1/} Monthly trade data are not released currently; the latest received were for June 1940, and details regarding countries of destination have not been released since June 1939.

Argentina Second Largest Exporter

Although Argentina exported less wheat during 1940-41 than in the previous season, this country was again the second largest exporter of the July-June year. Shipments leaving the country since January 1 have been rather unexpectedly well maintained. If they continue in the same volume until January 1, 1942, the beginning of the new Argentine marketing year, and production is no larger than anticipated, total supplies will not be greatly increased over those for 1941 but will probably be the second largest on record.

An announcement by the Argentine Government on November 15 authorized the Grain Board to purchase the new crop at the same basic price as fixed for the 1940-41 crop, 6.75 pesos per quintal (about 55 cents per bushel) for export quality delivered at Buenos Aires. Purchases will begin on December 1, and the Board has again been given the authority to demand of the growers a 10-percent decrease in seedings if deemed advisable.

United States Exports Reduced

Exports of wheat, including flour, from the United States during 1940-41 totaled about 41 million bushels as compared with 54 and 116 million bushels, respectively, in 1939-40 and 1938-39. Statistics showing countries of destination have not been published since March 1941, but preliminary figures for July-March indicated that the heaviest movement of United States wheat and flour this season was eastward to the markets of China, Japan, and the Philippine Islands. Shipments to the Latin American countries were generally smaller than in the corresponding months of the previous season. Those to Mexico and Brazil were, however, considerably increased.

The large domestic crop harvested this year, together with a carry-over on July 1 of 387 million bushels, brought the total of United States wheat supplies for 1941-42 to a record high level. Domestic requirements for the season are estimated at about 670 million bushels, which leaves a balance for export or carry-over on July 1, 1942, of 678 million bushels. During the first quarter of the current season, July-September, total exports amounted to over 11 million bushels, which represented an increase of 16 percent over shipments during the corresponding period of 1940-41.

BRITISH MALAYAN RICE CROP EQUALS LAST SEASON . . .

While definite statistics are not available, recent reports indicate that the rice acreage and production in British Malaya for the 1940-41 harvest were fully equal to those of last season. Imports during

1940 were the heaviest in recent years, and evidently a reserve supply has accumulated. Rice production in British Malaya has always been rather small in comparison with rubber production, and in comparison with total consumption of rice. Production, on the other hand, has increased substantially during the past decade, expanding from an average of 15.5 million bushels during 1926-1930 to 27.1 million for 1936-1940. The Government, during the depression years, became much concerned about the huge rice imports and in 1932 set up the Drainage and Irrigation Department for the purpose of making new areas available for rice cultivation and improving irrigation facilities of areas already devoted to rice. Production at the present level, however, is still sufficient for only a little over one-third of the total consumption.

RICE: British Malayan acreage and production,
1935-36 to 1939-40

| Year | Area planted | Production |
|---------------|--------------|---------------|
| | Acres | 1,000 bushels |
| 1935-36 | 725,050 | 28,357 |
| 1936-37 | 740,040 | 26,458 |
| 1937-38 | 726,670 | 24,797 |
| 1938-39 | 753,240 | 28,300 |
| 1939-40 | 793,340 | 27,776 |

American consulate, Singapore.

Rice imports into British Malaya in 1941 are continuing at a high level. During the first 6 months, January-June 1941, imports amounted to 1,116 million pounds as compared with 1,034 million pounds for the same period in 1940. Net imports in 1940 reached a new high of 1,875 million pounds, representing a 27-percent increase over 1939. Imports plus production, however, were substantially above domestic requirements. It is well known that the large estates and the Government were accumulating stocks during the latter half of 1940. Consumption is undoubtedly increasing somewhat, as the population is steadily growing. So long as no effective rationing of rice is introduced and prices do not rise too high, Malayan consumption during 1941 is expected to approximate the high level of 2,185 million pounds.

Rationing of rice was started in Johore in August 1940 and was extended to Singapore in September, to Penang and Malacca in March, and to the Federated Malay States in April of this year. All private individuals in these areas who purchase rice must have cards. The monthly allowances are 48 pounds to males and 36 pounds to females over 12 years of age, and 24 pounds to children under 12. The present rationing system is one in name only, but the machinery has been set up to bring about a decrease in consumption if the need should arise.

British Malayan rice imports are now obtained primarily from Thailand and Burma. Small quantities formerly came from Indochina,

but it is believed that shipments from this source have been insignificant for some months. Small supplies have been obtained from Java. An agreement was made late in 1940 for the purchase of approximately 900 million pounds of rice from Thailand in 1941. Rice prices have increased approximately 45 percent during the past year. At the end of June 1940, imported rice was quoted at \$1.34 per 100 pounds. The Government has established maximum prices at which the various grades of rice may be sold in the large cities. The Government now has complete charge of rice importation and marketing.

RICE: British Malayan production, trade and consumption,
1936-1940

| Year | Production | Imports | Exports | Net imports | Consumption |
|------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Million pounds | Million pounds | Million pounds | Million pounds | Million pounds |
| 1936 | 766 | 1,604 | 408 | 1,196 | 1,962 |
| 1937 | 715 | 1,606 | 311 | 1,295 | 2,010 |
| 1938 | 670 | 1,826 | 453 | 1,373 | 2,043 |
| 1939 | 764 | 1,846 | 370 | 1,476 | a/ 2,072 |
| 1940 | 750 | 2,209 | 334 | 1,875 | a/ 2,128 |

American consulate, Singapore. a/ Estimated.

GRAIN STATISTICS . . .

GRAINS: Weekly average closing price per bushel, future delivery,
at leading markets, 1940-1941

| Week ended | Wheat | | | | | | Corn | | | |
|------------|---------|-------|----------|-------|--------------|-------|---------|-------|--------------|--------|
| | Chicago | | Winnipeg | | Buenos Aires | | Chicago | | Buenos Aires | |
| | 1940 | 1941 | 1940 | 1941 | 1940 | 1941 | 1940 | 1941 | 1940 | 1941a/ |
| | Cents | Cents | Cents | Cents | Cents | Cents | Cents | Cents | Cents | Cents |
| High b/ .. | 89 | 122 | 66 | 70 | c/ 53 | 58 | 63 | 82 | 29 | 26 |
| Low b/ ... | 82 | 113 | 65 | 66 | c/ 46 | 55 | 58 | 74 | 24 | 26 |
| December | | | | | | | | | | |
| Oct. 18 .. | 85 | 113 | 65 | 67 | d/ 46 | 57 | 60 | 74 | 25 | 26 |
| 25 .. | 86 | 115 | 65 | 67 | d/ 47 | 58 | 62 | 75 | 25 | 26 |
| Nov. 1 .. | 84 | 114 | 65 | 66 | 49 | 58 | 60 | 77 | 25 | 26 |
| 8 .. | 87 | 116 | 65 | 67 | 53 | 58 | 61 | 78 | 24 | 26 |
| 15 .. | 89 | 115 | 66 | 67 | 52 | 56 | 63 | 76 | 24 | 26 |

Corn prices at Buenos Aires compiled from New York Journal of Commerce; all other prices from Chicago Daily Trade Bulletin.

a/ Official price. b/ October 4 to November 15, 1941 and corresponding dates for 1940. c/ November and December futures. d/ November futures.

V E G E T A B L E O I L S A N D O I L S E E D S

UNITED STATES SOYBEAN-OIL EXPORTS

EXCEED PREVIOUS 5-YEAR AVERAGE . . .

Exports of soybean oil from the United States during the 1940-41 marketing year (October-September) were 21 percent below the record shipments made during the corresponding period a year earlier, but exceeded any previous year by more than 100 percent. Exports of soybeans and soybean cake and meal were insignificant and will probably be small again during the current season.

Domestic consumption of both beans and oil is expected to be greater during the coming months. Crashings for the October-September year just ended amounted to 64 million bushels as against 57 million in 1939-40.

UNITED STATES: Soybean production and trade, 1934-35 to 1941-42

| Year | Soybeans | | | Soybean oil | | Soybean cake and meal | |
|------------|-----------|----------|------------|-------------|----------|-----------------------|-----------|
| October - | Pro- | | | | | | |
| September: | duction | Exports | Imports | Exports | Imports | Exports | Imports |
| | a/ | | | | | | |
| | : 1,000 | : 1,000 | : 1,000 | : 1,000 | : 1,000 | : 1,000 | : 1,000 |
| | :bushels | :bushels | : bushels: | : pounds | : pounds | : pounds | : pounds |
| 1934-35 | : 23,095 | : 19 | : 5 | : 3,811 | : 13,320 | : - | : 129,604 |
| 1935-36 | : 44,378 | : 3,490 | : 4 | : 4,396 | : 9,690 | : - | : 40,036 |
| 1936-37 | : 29,983 | : 19 | : 17 | : 4,883 | : 28,637 | : - | : 111,457 |
| 1937-38 | : 45,272 | : 1,368 | : 3 | : 6,656 | : 5,244 | : - | : 30,869 |
| 1938-39 | : 62,729 | : 4,401 | : 3 | : 7,142 | : 2,487 | b/ 53,926 | : 24,631 |
| 1939-40 | : 91,272 | : 10,949 | : 2 | : 18,156 | : 5,040 | : 124,609 | : 24,283 |
| 1940-41 | : 79,837 | : 237 | c/ | : 14,423 | : 2,834 | : 50,790 | : 16,143 |
| 1941-42 | : 111,300 | : - | : - | : - | : - | : - | : - |

Compiled from official sources.

a/ Production figures are for the calendar years 1934 to 1941.

b/ January-September.

c/ Less than 500 bushels.

The 1941 soybean crop is now estimated at 111,300,000 bushels, compared with 79,837,000 bushels in 1940. There is more than usual uncertainty as to the final outcome of the crop because of the relatively large proportion not yet harvested and the possibilities for deterioration due to prolonged, excessive rains in all of the important commercial soybean-producing States.

CUBAN IMPORTS OF VEGETABLE OILS
INCREASE IN 1941 . . .

Cuban imports of cottonseed, coconut, and soybean oils during January-September were considerably above the same months in 1940, and, with the exception of refined coconut oil, exceeded imports for that entire year, according to information available in the Office of Foreign Agricultural Relations. While some portion of the increase was due to partial replacement of olive oil, it is believed that imports were made against possible difficulties in obtaining deliveries in the near future. Cuban vegetable-oil imports are largely from the United States.

The scarcity of olive oil remains unchanged. Imports during January-September 1941 amounted to only 26,000 pounds as compared with 7,591,000 pounds in the corresponding months last year. As a result, stocks in the hands of dealers are practically exhausted and little interest is shown in disposing of remaining supplies, even at the prevailing high prices. Pure olive oil is not quoted, but mixed oil was \$23.22 per 100 pounds in October as against \$14.91 in October 1940. This oil is being replaced by others less expensive, principally domestic peanut oil.

CUBA: Imports of vegetable oils, annual 1940,
January-September 1940 and 1941

| Kind of oil | 1940 | January- September 1940 | January- September 1941 |
|------------------------------|-------------------------|-------------------------------|-------------------------------|
| | <u>1,000 pounds</u> | <u>1,000 pounds</u> | <u>1,000 pounds</u> |
| Cottonseed oil - Crude | - | - | 364 |
| Refined..... | 128 | 85 | 225 |
| Hydrogenated..... | 294 | 245 | 241 |
| Coconut oil - Crude | 257 | 182 | 368 |
| Refined | 962 | 632 | 1,024 |
| Hydrogenated | 301 | 248 | 303 |
| Peanut oil - Crude | 62 | 62 | 120 |
| Refined | 16 | 14 | 17 |
| Hydrogenated | 61 | 61 | - |
| Soybean oil - Crude | 5,085 | 3,499 | 4,944 |
| Refined | 1,051 | 609 | 1,214 |
| Total | 8,217 | 5,637 | 8,820 |

American Consulate, Habana

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C O T T O N - O T H E R F I B E R SCOTTON ACREAGE IN UGANDA
TO EQUAL LAST SEASON : . . .

Dry weather delayed cotton planting for the 1941-42 crop in most of the districts of Uganda, according to the second report issued by the Uganda Department of Agriculture. The number of acres planted through July was below the previous year's plantings of the same date, but the report stated that the final number of acres planted to cotton would probably equal last year's total of 1,284,106 acres, provided weather conditions were favorable in August.

Cotton has been grown in Uganda for many years, increasing from 11,000 bales of 478 pounds grown on approximately 40,000 acres for the 1909-10 season to the 1937-38 record crop of 349,100 bales produced from a planted area that was slightly under 1,760,000 acres. All of the crop is produced for export, most of it absorbed by Indian mills with smaller quantities purchased by Japanese and English merchants. Uganda's cotton is of longer staple than the cotton grown in India and therefore is desired by the manufacturer for finer yarns.

UGANDA: Cotton acreage planted through July 1941,
with comparisons

| Province | Area planted | | |
|-------------------|--------------|----------------------|--------------|
| | Total | Planted through July | |
| | 1940 | 1940 | 1941 |
| | <u>Acres</u> | <u>Acres</u> | <u>Acres</u> |
| Eastern | 647,566 | 534,442 | 503,123 |
| Western | 197,669 | 174,860 | 134,513 |
| Buganda | 438,871 | 331,522 | 290,467 |
| Total | 1,284,106 | 1,040,824 | 928,103 |

Cotton Crop Report, Uganda Department of Agriculture

PROSPECTIVE COTTON AREA IN CYPRUS
TO BE RESTRICTED

Although no measures had been taken to control the area planted to cotton, according to a report received in the Office of Foreign Agricultural Relations, the Cyprus Department of Agriculture stated that the area to be planted from September to November would be restricted.

The loss of Greece, the market for 50-80 percent of the Cyprus crop, and the lack of transportation to other countries were the reasons given for the prospective restriction. In 1940, there were 8,200 acres

planted to cotton, with a production of 1,452 bales of 478 pounds, compared with the 1939 area of 6,860 acres that produced 1,427 bales of lint.

INDIA'S JUTE CROP GREATLY REDUCED . . .

The 1941 production of jute in India, including Nepal, is estimated at 5,422,555 bales of 400 pounds, less than one-half of last season's crop. The final forecast places the total area at 2,132,000 acres as compared with the preliminary forecast of 2,212,500 acres, according to a report received from the American Consul at Calcutta.

India has long supplied the world's jute requirements, producing practically the total amount of jute fiber grown in the world. The Province of Bengal produces 80-90 percent of India's jute. In 1940 the natives planted all available land because the increased consumption to fill war orders had made the prices offered attractive at the time of planting. Eventually the war orders declined, and stocks in India accumulated. This accumulation was increased further by the bumper crop, loss of markets in continental Europe, and the scarcity of shipping facilities. Faced with a possible carry-over of at least 4,000,000 bales, a law was passed in Bengal that limited the plantings to one-third of the area planted in 1940 and required the natives to obtain licenses before they were allowed to plant.

INDIA: Final forecast of jute area and production, 1941, with comparisons

| Province or State | Area | | | Production a/ | | |
|---|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
| | 1939 | 1940 | 1941 | 1939 | 1940 | 1941 |
| | <u>1,000</u> <u>acres</u> | <u>1,000</u> <u>acres</u> | <u>1,000</u> <u>acres</u> | <u>1,000</u> <u>bales</u> | <u>1,000</u> <u>bales</u> | <u>1,000</u> <u>bales</u> |
| Bengal, including Cooch Behar and Tripura States... | 2,550 | 3,671 | b/ 1,589 | 8,321 | 10,976 | b/ 4,328 |
| Bihar..... | c/ 266 | c/ 282 | c/ 242 | d/ 721 | d/ 582 | d/ 429 |
| Orissa..... | 22 | 28 | 25 | 47 | 62 | 59 |
| Assam..... | 323 | 363 | 276 | 661 | 942 | 607 |
| Total..... | c/ 3,161 | c/ 4,344 | c/ 2,132 | d/ 9,750 | d/ 12,562 | d/ 5,423 |

Compiled from consular reports.

a/ In bales of 400 pounds. b/ Area planted in Bengal under license required in that Province for the 1941 crop totaled 1,532,855 acres with an estimated yield of 4,251,045 bales. c/ Excludes estimates for Nepal, for which no figures for area and yield are available. d/ Includes imports into India from Nepal.

FRUITS, VEGETABLES, AND NUTS

CUBAN GRAPEFRUIT AND AVOCADO

EXPORT SEASON FINISHED . . .

Exports of grapefruit from the Isle of Pines, Cuba, for the current season (August to October) amounted to 150,314 boxes of 80 pounds or about the same as the movement in the previous season, according to a report from American Consul Hugh F. Ramsay at Habana. As in 1940, the total movement was shipped to the United States. The bulk of the movement was in September, amounting to 87,541 boxes, compared with 38,308 boxes in August and 24,465 in October.

CUBA: Exports of grapefruit from the Isle of Pines, August-October, 1934-1941

| Year | United States | United Kingdom | Canada | Other countries | Total |
|------------|---------------|----------------|-------------|-----------------|-------------|
| | 1,000 boxes | 1,000 boxes | 1,000 boxes | 1,000 boxes | 1,000 boxes |
| 1934 | 110 | 66 | 8 | 1 | 185 |
| 1935 | 56 | 41 | 4 | 9 | 110 |
| 1936 | 122 | 64 | 5 | 8 | 199 |
| 1937 | 123 | 22 | a/ | 0 | 145 |
| 1938 | 56 | 32 | 0 | 0 | 88 |
| 1939 | 56 | 20 | 0 | 0 | 76 |
| 1940 | 153 | 0 | 0 | 0 | 153 |
| 1941 | 150 | 0 | 0 | 0 | 150 |

American consulate, Habana. Boxes of 80 pounds.

a/ Less than 500 boxes.

CUBA: Exports of fresh fruit from Habana to the United States, October and January-October, 1940 and 1941

| Fruit | October | | January-October | |
|--------------------|--------------|--------------|-----------------|--------------|
| | 1940 | 1941 | 1940 | 1941 |
| | 1,000 pounds | 1,000 pounds | 1,000 pounds | 1,000 pounds |
| Papayas | 62 | 28 | 1,078 | 662 |
| Avocados | a/ | b/ 132 | 13,268 | 11,994 |
| Plantains | 679 | 794 | 5,237 | 5,789 |
| Bananas | 82 | 52 | 176 | 886 |
| Pineapples in bulk | 0 | 50 | 3,705 | 969 |
| | 1,000 crates | 1,000 crates | 1,000 crates | 1,000 crates |
| Pineapples, crated | 15 | 16 | 1,021 | 959 |

American consulate, Habana.

a/ Less than 500 pounds. b/ Loaded September 30.

The Cuban avocado export season ended on September 30, in accordance with the terms of the United States-Cuban trade agreement. Exports for the season amounted to 11,994,000 pounds, or slightly under the volume moved in

1940. Papaya exports, which up to the 1941 season had been expanding rapidly, amounted to only 662,000 pounds to the end of October, or a decline of around 39 percent. The plantain movement amounted to 5,789,000 pounds in the first 10 months of 1941, or an increase of 550,000 pounds over the exports in the comparable period of the previous year. The sharp increase in banana exports from Habana reflects the fact that fruit previously moving from other ports is now being exported through the port of Habana.

ACREAGE OF EARLY VEGETABLES IN MEXICO INCREASED . . .

The area for early vegetables in the West Coast producing districts of Mexico, which has already been planted for the 1941-42 season, has been estimated at 8,750 acres compared with 4,150 acres last year, according to a report from American Vice Consul Thomas M. Powell at Nogales, Sonora, Mexico. The heavier plantings are located largely in the State of Sonora, where green-pea acreage has increased by nearly 3,000 acres and tomatoes by 1,500 acres. The unusually successful shipping season last year, which was due largely to reduced American and Cuban vegetable supplies, is a major factor contributing to the expansion in acreage.

MEXICO: Estimated acreage of the early crop of vegetables,
1940-41 and 1941-42

| Vegetables | Sonora | | Sinaloa | |
|---------------------|---------|---------|---------|---------|
| | 1940-41 | 1941-42 | 1940-41 | 1941-42 |
| | Acres | Acres | Acres | Acres |
| Tomatoes | 3,000 | 4,500 | 275 | 400 |
| Green peas | 810 | 3,750 | 0 | 0 |
| Green peppers | 0 | 0 | 65 | 100 |
| Total | 3,810 | 8,250 | 340 | 500 |

American consulate, Nogales.

The total acreage for the coming year and the total volume of vegetables available for shipment cannot be accurately estimated at this time. Future plantings and shipments will be determined largely by demand conditions in the United States and weather conditions during the growing season. The following table shows acreage and shipments in 1940-41 compared with an approximation of acreage and the volume expected to be available for shipment in 1941-42, provided growing conditions and demand in United States markets are favorable. According to these forecast figures, total acreage of vegetables would increase, under the assumed conditions, from 25,375 acres in 1940-41 to 34,600 acres in 1941-42, while carlot shipments would rise from 5,075 to 6,600 cars.

MEXICO: Acreage and shipments of vegetables,
1940-41 and estimated 1941-42

| Vegetables | Sonora | | Sinaloa | |
|-------------------------|----------------|----------------|----------------|----------------|
| | 1940-41 | 1941-42 | 1940-41 | 1941-42 |
| <u>Acreage</u> | <u>Acres</u> | <u>Acres</u> | <u>Acres</u> | <u>Acres</u> |
| Tomatoes | 3,000 | 3,500 | 19,940 | 25,000 |
| Green peas | 810 | 3,750 | 0 | 0 |
| Green peppers | 250 | 350 | 1,375 | 2,000 |
| Total | 4,060 | 7,600 | 21,315 | 27,000 |
| <u>Carlot shipments</u> | <u>Carlots</u> | <u>Carlots</u> | <u>Carlots</u> | <u>Carlots</u> |
| Tomatoes | 600 | 750 | 3,988 | 5,000 |
| Green peas | 162 | 375 | 0 | 0 |
| Green peppers | 50 | 70 | 275 | 400 |
| Total | 812 | 1,195 | 4,263 | 5,400 |

American consulate, Nogales.

The early tomato plantings in Mexico were begun after the middle of July with the preparation of seed beds. After about a month, the plants are transplanted in the fields. The first shipments from these plantings usually occur toward the end of November. Green-pea and green-pepper plantings are put in about 2 months after the tomatoes, and early shipments usually commence in the latter part of December. In the early sections of the Guaymas district of southern Sonora, growing conditions were favorable up to October. Abundant rains had been reported in July and September, and heavy yields were being anticipated. The labor supply was reported as plentiful. Heavy rains in October, however, reduced the crop in certain areas destroying up to 33 percent of recent plantings. This is the only unfavorable development in the current growing season.

Water for irrigation is reported to be abundant, and no difficulty in this respect is being anticipated, at least until toward the end of the shipping season. Generally speaking, growers are in a good financial position and will be able, should market demand be favorable, to continue successive plantings regularly. Some trade sources are concerned over the shortage of rolling stock on the railroad lines. The principal Mexican railroad is known to be short of rolling stock. In past years, American railroads have furnished additional locomotives and refrigerated cars for the shipping season, but it is feared that the American railways will not be in a position to do this in the coming season. It is possible that a transportation shortage might appreciably curtail vegetable exports this season.

L I V E S T O C K A N D A N I M A L P R O D U C T SSOUTHERN HEMISPHERE WOOL SUPPLIESLARGER IN NEW SEASON^{1/} . . .

Latest reports received by the Office of Foreign Agricultural Relations from the important wool-producing countries of the Southern Hemisphere indicate that wool production in 1941-42 will about equal that of last season. Preliminary estimates for 12 Southern Hemisphere countries place production at 2,350 million pounds in 1941-42, which is a little larger than in 1940-41, but slightly smaller than the record production of 1939-40. Although production will not be greatly different from that of last season, supplies are larger, due principally to the carry-over of the finer types of wool. These 12 countries furnished 63 percent of the total world production, exclusive of Russia and China, of approximately 3,620 million pounds in the 5-year period 1937-38 to 1941-42. Russia and China, together, produced about 380 million pounds in 1938. Recent estimates are not available. These countries grow mainly coarse carpet-type wool, although the percentage of fine wool is increasing, especially in Russia. (See table, page 651.)

United States wool production has increased sharply in recent years and in 1941 reached approximately 464 million pounds, including an unofficial estimate of pulled wool, or 13 percent of the world total compared with an average of 11 percent in the 5-year period 1931-1935. Despite increased production, present requirements for fine wool, as well as coarse, cannot be met from domestic production, and large imports have been necessary. Imports of dutiable apparel wool in the first 9 months of 1941 totaled 464 million pounds, and wool finer than 56's accounted for 72 percent of the total imports of apparel wool. Last year, apparel wool imports for the corresponding period totaled only 130 million pounds, 62 percent of which was finer than 56's.

United States mill consumption of domestic and foreign wool for the first 9 months of 1941 amounted to 707 million pounds of apparel wool against only 414 million pounds for the corresponding period of last year and 641 million pounds for the entire year 1940. September mill consumption of apparel wool reached a new high of 90 million pounds, grease basis, and with continued large Government requirements, consumption is likely to be near record levels for the next few months. Consumption of carpet wool in the 9-month period was 144 million pounds compared with 95 million a year earlier. Stocks of apparel wool in the hands of dealers and manufacturers on September 27 totaled over 377 million pounds and were more than 100 million pounds larger than on the corresponding dates of 1939 and 1940.

^{1/} By Esther H. Johnson, Assistant Agricultural Economist.

Supplies of the fine wools in the Southern Hemisphere will show an increase in 1941-42, partly as a result of increased production in Australia and an output at least as large as last season's in the Union of South Africa. Stocks in these countries at the end of the 1940-41 season were much above average. All stocks in British Empire countries, except those sold to neutral countries, are owned by the British Wool Control. Shipments to the United States have been proceeding well, considering conditions, and entries have been fairly regular, both for consumption and for the building up of a stock pile.^{1/} It appears, therefore, that there will be no shortage of fine wools in the United States in the new season to meet the anticipated heavy consumption requirements, barring further development of hostilities in the Pacific, which might tend to delay shipments.

Supplies of medium and coarse crossbred wools, principally of South American origin, may be materially smaller than a year ago. Production for the season beginning October 1, 1941, in nine South American countries is estimated at 688 million pounds, a decrease of 2 percent below the large production of 1940-41. Carry-over stocks in Argentina and Uruguay are much below last year as a result mainly of active United States demand in 1940-41, and it is believed that this condition also applies to the other countries, although regular reports are not available from the less important producing countries.

South America

Argentina, which vies with the United States as the second-largest wool-producing country in the world and the largest in the Western Hemisphere, will have an exportable surplus in 1941-42 of 478 million pounds, a decrease of 10 percent as compared with the corresponding estimate for 1940-41. The reduction is due to a smaller carry-over and an estimated increase in domestic consumption. Production will be about the same as last year. There has been an upward trend in Argentine production since 1937, and in the last 2 years the output has been over 30 percent larger than the average for the 5 years 1931-32 to 1935-36. The First National Bank of Boston (Buenos Aires Branch) indicates that sheep numbers at present are close to 55 million head, compared with 43 million at the time of the 1937 census.

Argentine press statements are to the effect that producers interpret the reduction in United States duties on coarse wools (44's or coarser) as bringing higher prices to them. United States mills are expected to pay prices as high as formerly for coarse wools. So far, United States offers have been below quotations at Buenos Aires, and it has been difficult to find a satisfactory trading basis, although latest cabled information indicates a decline in prices and acceptance of United States offers. The lower tariff rate became effective November 15.

^{1/} See Foreign Crops and Markets, November 3, 1941, for details.

The distribution of the Argentine wool production according to grades is as follows: Coarse crossbred (under 44's) 34 percent; medium (46's to 50's) 21 percent; fine crossbred (56's to 60's) 34 percent; merino (60's - 64's and finer) 13 percent.

Preliminary estimates of wool production in Uruguay vary considerably, but it is reported that production will be from 10 to 15 million pounds smaller than in 1940-41. The reduction is due to sheep losses last winter (June-August) and to a lighter weight per fleece due to unseasonably warm weather in the winter months. Heavy shipments to the United States, in particular, which took 82 percent of the exports for the past season, have reduced stocks to a minimum. The United States has absorbed most of the quantity formerly going to continental Europe. Last year at the beginning of the season, stocks were unusually high as a result of the extension of the naval blockade after the fall of France, and were estimated at 26 million pounds, compared with an average of 11 million pounds for the preceding 5 years. Approximately 60 percent of Uruguayan wool is medium and fine crossbred, 40 percent of the wool being from Lincoln crosses and native sheep.

Brazil produces around 40 million pounds of wool annually, about 27 percent of which is coarse wool. Local consumption accounts for about 14 million pounds or 35 percent of production. Production in Chile in 1941-42 is unofficially estimated at 35 million pounds, mainly medium and fine crossbred. About the same percentage is consumed locally as in Brazil. Recent estimates place production in Peru for 1941-42 at 14 million pounds, compared with 16 million in 1940-41 and 19 million in both 1938-39 and 1939-40. More reliable estimates of the Peruvian production than existed formerly are becoming available as a result of the work of the Junta Nacional de la Industria Lanar, established in 1937. Factory consumption accounts for about 7 million pounds of sheep's wool and native consumption for another 3 million pounds. The Falkland Islands produce in the neighborhood of 4 million pounds, practically all of which is exported.

In the remaining South American countries below the equator, Bolivia, Ecuador, and Paraguay, production is estimated roughly at 6.5 million pounds annually. Annual estimates of sheep numbers, wool production, and consumption for these countries are lacking, and exports are believed to represent only a small proportion of total production.

British Empire Countries

Another large wool clip is officially forecast for Australia, the world's largest producer of fine wool. Production in 1941-42 is estimated at 1,070 million pounds, an increase of 2.5 percent above 1940-41, but a decrease of 5 percent compared with the record production of 1939-40. The carry-over is large, but adequate storage space has been

provided, and shipments to foreign countries, especially the United States, are being made as shipping space becomes available. It is possible that some wool will be shipped to Russia in the new season. Sheep numbers had reached the record total of 120 million head at the beginning of 1941, but the weight per fleece is expected to be lighter owing to dry conditions during the principal growing months.

The Union of South Africa is another important source of United States fine wool imports. Preliminary figures place production in British South Africa, i.e. the Union of South Africa, Basutoland, and Bechuanaland, at 260 million pounds, or approximately the same as in 1940-41 and 6 percent above the preceding 5-year average. In the years 1928 to 1932, production averaged 309 million pounds. The carry-over situation is not clear, but at the beginning of last season stocks were about three times as large as average. The United States took 8 million pounds of South African wool in the first 3 months (July-September) of this season against **only** 2.5 million pounds a year ago, according to declared exports to the United States at American consulates in South Africa. Shipments (declared exports) to this country for the entire season ended June 30, 1941, totaled 35 million pounds against 37 million in the 1939-40 season. The United States has recently begun to purchase South African wool for storage in this country, the quantity mentioned up to the present being 125 million pounds. 1/

New Zealand produces mainly medium-crossbred wool, and only a small proportion of the clip is valuable for paper felts, which are in demand in the United States, Canada, and the United Kingdom. Last year there were only about 1 million pounds of true paper felts in the entire clip. Preliminary estimates place total production of wool in 1941-42 at about the record figure of last year, despite a slight increase in sheep numbers in 1941. Losses of sheep and lambs due to adverse weather conditions at lambing time have been reported, and shearing has also been delayed. The New Zealand carry-over this year is considerably above average, although official estimates have not been published. Last year on June 30, stocks were reported at 43 million pounds and were a little below average.

It is reported that 100,000 bales of New Zealand wool (34 million pounds) will be released to the United States during the 1941-42 season. The distribution of the superior types, according to grades, is reported as follows: 3 million pounds of 56's - 58's, 7 million pounds of 50's - 56's, and 3 million pounds of 46's - 50's. Of the 500,000 pounds of greasy pulled wool released, about 200,000 pounds may be paper felts. It is reported that 12 million pounds of New Zealand wool, principally finer than 50's were to be made available for Russia and were being scoured for that destination.

1/ See Foreign Crops and Markets, November 3, 1941, for details.

SOUTHERN HEMISPHERE: Wool production (grease equivalent) compared with world total, exclusive of Soviet Union and China, average 1931-32 to 1935-36, annual 1937-38 to 1941-42

| Country | Average: | | | | | |
|----------------------------|----------|----------|----------|----------|----------|----------|
| | 1931-32: | 1937-38: | 1938-39: | 1939-40: | 1940-41: | 1941-42 |
| | to | to | to | to | a/ | a/ |
| | 1935-36: | | | | | |
| | Million: | Million: | Million: | Million: | Million: | Million: |
| | pounds | pounds | pounds | pounds | pounds | pounds |
| SOUTH AMERICA | | | | | | |
| Argentina b/ | 360.8: | 366.0: | 399.0: | 443.0: | 474.0: | c/474.0 |
| Uruguay d/ | 110.6: | 116.3: | 125.4: | 133.9: | 130.0: | f/115.0 |
| Brazil | 35.0: | 39.7: | 41.0: | 40.8: | 40.0: | 40.0 |
| Chile | 33.8: | 33.0: | 35.0: | 30.0: | 32.0: | 35.0 |
| Peru g/ | 18.0: | 21.0: | 19.0: | 19.0: | 16.0: | 14.0 |
| Falkland Islands | 4.0: | 4.6: | 3.6: | 3.5: | h/ 3.5: | h/ 3.5 |
| Bolivia i/ | 4.0: | 4.0: | 4.0: | 4.0: | 4.0: | 4.0 |
| Ecuador i/ | 2.0: | 2.0: | 2.0: | 2.0: | 2.0: | 2.0 |
| Paraguay i/ | 0.5: | 0.5: | 0.5: | 0.5: | 0.5: | 0.5 |
| Total | 568.7: | 587.1: | 629.5: | 676.7: | 702.0: | 688.0 |
| BRITISH DOMINIONS | | | | | | |
| Australia | 1010.5: | 1023.4: | 983.6: | 1128.1: | 1044.0: | 1070.0 |
| New Zealand | 281.1: | 296.8: | 327.7: | 310.0: | 332.0: | 332.0 |
| British South Africa | 269.5: | 233.0: | 248.0: | 246.2: | 260.0: | 260.0 |
| Total | 1561.1: | 1553.2: | 1559.3: | 1684.3: | 1636.0: | 1662.0 |
| Total Southern Hemisphere: | 2129.8: | 2140.3: | 2188.8: | 2361.0: | 2338.0: | 2350.0 |
| World total excluding | | | | | | |
| Soviet Union & China j/ | 3400.0: | 3450.0: | 3540.0: | 3720.0: | 3690.0: | 3710.0 |
| Soviet Union | 157.6: | 260.0: | 300.0: | k/ | k/ | k/ |
| China | 78.0: | 80.0: | 80.0: | k/ | k/ | k/ |

Compiled from official or reliable trade sources except as indicated. Includes wool produced mostly in the spring in the Northern Hemisphere and that produced in the season beginning the following July 1 or October 1 of the same calendar year in the Southern Hemisphere. Pulled wool included for most countries at its grease equivalent.

a/ Preliminary. b/ Estimates of the Buenos Aires Branch of the First National Bank of Boston revised at the end of the season on the basis of actual exports. c/ Cable from Agricultural Attaché Paul O. Nyhus, November 4, 1941. d/ Estimates based on exports alone, or exports, stocks, and domestic consumption. e/ Provisionally revised estimate based on receipts at Montevideo and stocks at country points on October 1, 1940. f/ Estimate based on reports of a decrease of 10,000 to 15,000 bales. g/ Revised estimates based on recent surveys made by the Junta Nacional de la Industria Lanar established in 1937. Former estimates were based on exports and an estimated domestic consumption, which was apparently too low. h/ Latest estimate carried forward. i/ Rough approximation. j/ Rounded to tens of millions. k/ Not available.

WOOL: Exports from Argentina and Uruguay by countries,
seasons 1938-39 to 1940-41

| Country of destination | October - September | | | | | |
|---------------------------------------|---------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| | Argentina: | | | Uruguay | | |
| | 1938-39: | 1939-40: | 1940-41: | 1938-39: | 1939-40: | 1940-41: |
| | Million pounds | Million pounds | Million pounds | Million pounds | Million pounds | Million pounds |
| United States | 65.5 | 136.9 | 348.6 | 16.6 | 36.9 | 119.7 |
| Canada | 0.1 | 2.0 | a/ | a/ | a/ | a/ |
| Japan | 1.5 | 15.7 | 31.1 | 1.4 | 5.5 | 7.5 |
| Others | 6.6 | 3.0 | 3.8 | b/ | 0.5 | 2.3 |
| Total non-European countries | 73.7 | 157.6 | 385.5 | 18.0 | 42.9 | 129.5 |
| United Kingdom | 119.5 | 26.3 | 9.5 | 10.8 | 1.4 | - |
| France | 57.4 | 34.1 | 1.2 | 6.5 | 1.1 | - |
| Belgium | 22.7 | 11.1 | - | 18.2 | 3.6 | - |
| Netherlands | 3.4 | 10.2 | - | 8.4 | 13.6 | - |
| Sweden | 3.1 | 8.2 | 4.6 | 3.1 | 15.8 | 7.8 |
| Norway | b/ | 1.2 | a/ | b/ | 0.3 | - |
| Denmark | 1.0 | 1.5 | a/ | 1.6 | 1.2 | - |
| Finland | 2.1 | 0.6 | 0.8 | 0.1 | 0.9 | 0.6 |
| Switzerland | b/ | 6.8 | 2.4 | a/ | 6.5 | 1.7 |
| Germany | 44.2 | - | - | 36.2 | 4.4 | - |
| Austria | 0.5 | - | - | a/ | a/ | a/ |
| Czechoslovakia | a/ | - | - | 0.6 | a/ | a/ |
| Poland | 19.7 | - | - | 7.7 | a/ | a/ |
| Italy | 7.2 | 18.8 | - | 16.1 | 13.3 | - |
| Hungary | 0.1 | 0.6 | - | a/ | a/ | a/ |
| Yugoslavia | 2.0 | 3.4 | - | a/ | a/ | a/ |
| Greece | 0.7 | 1.4 | 0.3 | 0.7 | 1.4 | b/ |
| Soviet Union | a/ | a/ | 13.3 | - | - | 5.6 |
| Others | b/ | 0.3 | - | - | - | - |
| Total European countries | 283.6 | 124.2 | 32.1 | 110.0 | 63.5 | 15.7 |
| Total all countries: | 357.3 | 281.8 | 417.6 | 128.0 | 106.4 | 145.2 |

Compiled from trade reports submitted by the American agricultural attaché
at Buenos Aires.

a/ If any, included with "others."

b/ Less than 50,000 pounds.

ARGENTINE EGG SURPLUS DIVERTED TO UNITED STATES . . .

Recent United States imports of shell eggs from Argentina are principally a result of the inability of Argentina to export shell eggs to the United Kingdom under existing shipping conditions, according to a recent cable received from Buenos Aires by the Office of Foreign Agricultural Relations. Usual exports and surplus production, which normally go mainly to the United Kingdom have now been diverted to the United States, and to a local Argentine packing plant for drying. It is not definitely known what disposition will later be made of these dried eggs.

United States import figures show that no Argentine eggs in shell had been imported into the United States within the past 10 years until July 1941. Imports from Argentina since that time are officially stated to have been 2,706,249 dozen through September out of a total importation of 2,872,552 dozen from all countries. Unofficial figures list 2,520,000 dozen imported from Argentina during October, thus making an unofficial total of 5,226,249 dozen received to the end of October. Argentine export figures show that to the end of October of this year 6,857,000 dozen had been shipped to this country, indicating some yet en route. Further shipments of 840,000 dozen were made up to November 14, thus bringing shipments of Argentine shell eggs from Argentina to the United States from July 1 to November 14, 1941, to a total of 7,697,040 dozen. Additional shipments of 900,000 to 1,500,000 dozen are expected before the close of the season around December 15. Argentine export figures cannot be considered as identical with United States import figures because of diversion of shipments, reexports, etc. This fact is made evident from a comparison of the tables showing United States imports for 1938-1940 and Argentine exports for the same years.

UNITED STATES: Imports of eggs in shell, by countries of origin, 1938-1940, January-June, and July-September, 1941

| Country of origin | Calendar year | | | 1941 | | | |
|----------------------|---------------|---------|--------|---------------|--------|---------|-----------|
| | 1938 a/ | 1939 | 1940 | Jan.- June | July | August | September |
| | Dozen | Dozen | Dozen | Dozen | Dozen | Dozen | Dozen |
| Canada | 2,176 | 4,755 | 3,118 | 1,476 | 5 | 72 | 90 |
| Cuba | 0 | 0 | 300 | 0 | 0 | 0 | 0 |
| Dominican Republic | 1,958 | 24,603 | 3,205 | 86,763 | 21,630 | 27,750 | 19,560 |
| Argentina | 0 | 0 | 0 | 0 | 57,000 | 393,969 | 2,255,280 |
| Brazil | 0 | 0 | 0 | 0 | 0 | 600 | 540 |
| Hong Kong | 71,388 | 4,017 | 1,550 | 0 | 0 | 0 | 0 |
| China | 130,088 | 16,612 | 13,474 | 4,642 | 0 | 175 | 0 |
| Japan | 18,050 | 45,750 | 13,650 | 0 | 0 | 0 | 0 |
| Others | 8,124 | 4,381 | 0 | 0 | 0 | 0 | 9,000 |
| Total | 231,784 | 100,118 | 35,297 | 92,881 | 78,635 | 422,566 | 2,284,470 |

Bureau of Foreign and Domestic Commerce.

a/ Also includes eggs other than chicken eggs.

ARGENTINA: Exports of eggs, by major countries of destination,
1938-1940, January-June 1938-1941

| Country of destination | Calendar year | | | January-June | | | |
|------------------------|---------------|--------------|--------------|--------------|--------------|--------------|--------------|
| | 1938 | 1939 | 1940 | 1938 | 1939 | 1940 | 1941 |
| | 1,000 pounds | 1,000 pounds | 1,000 pounds | 1,000 pounds | 1,000 pounds | 1,000 pounds | 1,000 pounds |
| France | 52 | 47 | - | 22 | 29 | - | - |
| Germany | 2,634 | 617 | - | 5 | 615 | - | - |
| Greece | 41 | 64 | 11 | 15 | 35 | 9 | 1 |
| United Kingdom ... | 10,578 | 19,391 | 20,261 | 42 | 71 | 22 | 71 |
| United States | 28 | 8 | a/ | 18 | 6 | a/ | - |
| Others | 203 | 689 | 28 | 50 | 46 | 14 | 201 |
| Total | 13,536 | 20,816 | 20,300 | 152 | 802 | 45 | b/ 273 |

Boletín Estadística Agropecuaria. a/ Less than 1,000 pounds. b/ Major portion exported to Uruguay during first 6 months of 1941.

Low feed (corn) prices, and slightly improved prices received for egg shipments have resulted in an expansion of the Argentine poultry industry during the current year. Normally Argentina produces between 95 and 100 million dozen eggs per year, the majority of which are produced during the spring months of September to December. During these months of heavy production, Argentina normally exports from 10 to 20 percent of the production, with most of the surplus going to the United Kingdom. Before the war, sizeable quantities also went to Germany. This disposition of surplus thus normally necessitates imports of eggs during the lighter producing months of the winter in order to fill domestic consumption requirements.

Before the outbreak of the war the principal import sources were the Irish Free State, the Netherlands, and Poland, but these have now all been cut off. In the latter half of 1939, Argentina depleted its egg stocks by making large exports to the United Kingdom, and during the following short production months, much difficulty was experienced in obtaining imports to fulfil domestic requirements. An effort was made to obtain eggs in the United States, but prevailing prices in this country were relatively high. Later, however, imports from China somewhat relieved the situation, and domestic demands were satisfied.

The United States import duty on shell eggs is 5 cents per dozen. Such imports into the United States from Argentina, which have been stimulated by abnormally high United States egg prices, are as yet small when compared with total production and consumption. Sizeable quantities of eggs, mostly dried, are being exported from the United States to Great Britain in order to meet British food needs.

GENERAL AND MISCELLANEOUS

FOREIGN EXCHANGE . . .

EXCHANGE RATES: Average value in New York of Chinese, Japanese, and some European currencies during last full month for which rates were available a/

| Country | Unit | Month | Value in United States currency |
|-------------------------|-----------------|-------------------|---------------------------------------|
| | | | Cents |
| Belgium | Belga | April 1940 | 16.89 |
| Denmark | Krone | March 1940 | 19.31 |
| France | Franc | May 1940 | 1.85 |
| Germany <u>b/</u> | Reichsmark ... | May 1941 | 39.97 |
| Greece <u>b/</u> | Drachma | September 1940 .. | .66 |
| Italy <u>b/</u> | Lira | May 1941 | 5.09 |
| Netherlands | Guilder | April 1940 | 53.08 |
| Norway | Krone | March 1940 | 22.71 |
| Portugal | Escudo | May 1941 | 4.00 |
| Spain <u>b/</u> | Peseta | May 1941 | 9.13 |
| Sweden | Krona | May 1941 | 23.84 |
| Switzerland | Franc | May 1941 | 23.20 |
| China <u>b/</u> | Yuan (Shanghai) | June 1941 | 5.34 |
| Japan | Yen | June 1941 | 23.44 |

Federal Reserve Board.

a/ Moon buying rates for cable transfers. Last daily rate reported on April 8, 1940 for the Danish and Norwegian kroner, now officially equal to 0.50 and 0.60 reichsmarks respectively; on May 9, 1940 for the belga and guilder, now officially equal to 0.40 and 1.33 reichsmarks respectively; on June 15, 1940 for the French franc, now officially equal, in the occupied area, to 0.05 reichsmarks; on October 26, 1940 for the drachma; on June 14, 1941 for the other European countries; and on July 26, 1941, for the **yen and yuan** (Shanghai).

b/ Quotations nominal.

EXCHANGE RATES: Average value in New York of specified currencies
November 15, 1941, with comparisons a/

| Country | Monetary unit | Year 1940 | Month | | | | Week ended | | |
|--------------------------|---------------|-----------|--------|--------|--------|--------|------------|--------|---------|
| | | | 1939 | 1940 | 1941 | | 1941 | | |
| | | | Oct. | Oct. | Sept. | Oct. | Nov. 1 | Nov. 8 | Nov. 15 |
| | | Cents | Cents | Cents | Cents | Cents | Cents | Cents | Cents |
| Argentina <u>b/</u> | Paper Peso | 29.77 | 29.77 | 29.77 | 29.77 | 29.77 | 29.77 | 29.77 | 29.77 |
| Australia <u>c/</u> | Pound | 305.16 | 319.51 | 321.29 | 321.33 | 321.37 | 321.39 | 321.40 | 321.40 |
| Brazil <u>d/</u> | Milreis | 5.02 | 5.05 | 5.02 | 5.06 | 5.08 | 5.09 | 5.09 | 5.09 |
| British India | Rupee | 30.16 | 30.30 | 30.17 | 30.14 | 30.15 | 30.15 | 30.15 | 30.15 |
| Canada <u>c/</u> | Dollar | 85.14 | 89.33 | 86.32 | 89.13 | 88.78 | 89.00 | 88.85 | 88.54 |
| Mexico <u>e/</u> | Peso | 18.55 | 20.15 | 20.33 | 20.54 | 20.57 | 20.57 | 20.55 | 20.54 |
| South Africa | Pound | 397.99 | 396.12 | 398.00 | 398.00 | 398.00 | 398.00 | 398.00 | 398.00 |
| Straits Settlements | Dollar | 46.98 | 47.02 | 47.10 | 47.16 | 47.16 | 47.16 | 47.16 | 47.16 |
| United Kingdom <u>c/</u> | Pound | 383.00 | 401.05 | 403.26 | 403.27 | 403.29 | 403.33 | 403.38 | 403.37 |

Federal Reserve Board.

a/ Noon buying rates for cable transfers.

b/ Official, regular exports. The special export rate of 23.70 cents, reported beginning March 27, 1941, applies to exchange derived from certain minor exports (e.g. dairy products) to certain countries (e.g. United States), such exchange formerly having been sold in the free market. Quotations nominal.

c/ Free. Official rates: Australia 322.80 cents; Canada 90.91 cents; United Kingdom 403.50 cents. Most transactions between these countries and the United States must take place at the official buying and selling rates.

d/ Free. Since April 10, 1939, 30 percent of the exchange derived from exports must be turned over at the official buying rate of 6.06 cents, the weighted average value of the milreis being 5.33 cents in 1940, 5.37 cents in October 1941, and 5.38 cents in the week ended November 15, 1941. Quotations nominal.

e/ Quotations nominal.

CANADA'S PRICE CEILINGS
IN RELATION TO AGRICULTURE 1/ . . .

Canada's action 2/ in stopping the rise of wages and prices at the highest level reached during the 4 weeks ended October 11, 1941, was taken by executive action under authority of the War Measures Act and will become effective December 1. Not all of the Orders-in-Council that give effect to the Government's action have been issued, and therefore it is not yet possible to make a comprehensive statement concerning their effect on Canadian agriculture.

The wage and price ceiling is almost all-inclusive. Certain exemptions have been specified, such as goods sold for export by the seller or his agent, isolated sales by persons not in the business of selling such goods, commodities sold at auction, and, with the concurrence of the Wartime Prices and Trade Board, instances where prices are fixed by a Federal, Provincial, or other authority. Other exemptions of significance to agriculture will undoubtedly be found necessary, probably perishables inter alia, but it can reasonably be expected that those instances will be rare in which the price ceiling will be permitted to be pierced by items appearing in the cost-of-living index that governs subsequent wage bonuses. Therefore, farmers' costs of production and costs of living should not rise appreciably.

In one important respect, farm operating costs will rise despite the newly established ceilings. The ceiling placed on wages does not apply to establishments with less than 50 employees. Farm wages may therefore be expected to continue their upward trend as more men are drawn into urban industries and the armed forces.

Control of the prices on imported and exported commodities will involve peculiar difficulties. Consideration is being given to the creation of administrative machinery that will absorb losses arising from differences between selling prices in Canada and cost prices in other countries. Such losses may be minimized if necessary by the removal of duties and taxes.

Speaking at a meeting in Toronto on October 28, a representative of the Dominion Department of Agriculture outlined in broad terms the reasons why Canadian farmers will be expected in the long run to benefit by counter-inflationary action. He pointed out that farmers as a class have suffered more than most others as a result of depressions following wartime price inflation. Agricultural recovery is very slow. Based as it is on unchangeably timed biological processes, agricultural production cannot be quickly curtailed. Being operated chiefly by family labor,

1/ From a report by Clifford C. Taylor, Agricultural Attaché, Ottawa.

2/ Order-in-Council P.C. 8527, dated November 1, 1941.

farms cannot close down when losses are inevitable. They must even absorb the unemployed sons returning from stagnant cities. Livestock, orchards, and even the land itself are living things, which cannot be temporarily abandoned without disaster. The high costs involved during the brief periods of price inflation constitute a heavy burden for many years, especially when land, livestock, and machinery have been bought at peak prices and heavy debts incurred.

Prices of several farm products in Canada, however, have not yet risen as much as the general price level. Wheat, of which there is a burdensome surplus and for which the price has been virtually fixed by the Wheat Board's minimum price and by the Board's sales to the British Ministry of Food, is a conspicuous example. Crops grown under contracts previously made, such as sugar beets, canning crops, and hops, are other examples of rigidity. On the other hand, prices of many other farm products, especially livestock and livestock products, have risen rapidly so as to approach or exceed what may be referred to as "parity." Price levels for various products in Canada during September 1941, are shown below in relation to levels at earlier dates:

| | 1939 | September 1940 | 1941 |
|--|--------------|-------------------|--------------|
| <u>Price indexes, wholesale (1926 = 100)</u> | | | |
| General | 78.4 | 83.0 | 93.2 |
| Industrial materials | 75.0 | 78.2 | 91.5 |
| Canadian farm products | 64.3 | 63.8 | 73.3 |
| Field products (grain, fruits, and vegetables) | 53.9 | 50.7 | 57.6 |
| Animal and animal products | 81.8 | 85.8 | 99.6 |
| <u>Prices, wholesale, Canadian funds</u> | | | |
| | <u>Cents</u> | <u>Cents</u> | <u>Cents</u> |
| Grains, basis, cash, per bushel | | | |
| Fort William and Port Arthur - | | | |
| Wheat, No. 1 Northern | 73.9 | 71.7 | 72.6 |
| Barley, No. 1 Feed | 45.3 | 34.5 | 52.6 |
| Flax, No. 1 C. W. | 166.1 | 124.3 | 154.7 |
| Butter, 1st grade creamery | | | |
| at Toronto, per pound | 27.7 | 24.4 | 36.1 |
| Cheese, old, large | | | |
| at Montreal, per pound | 22.0 | 23.0 | 30.5 |
| Eggs, Grade A large, | | | |
| at Montreal, per dozen | 37.6 | 37.6 | 42.3 |
| Hogs, bacon, B-1 dressed, | | | |
| at Toronto, per pound | 11.50 | 12.20 | 14.65 |
| Steers, good grade, over 1,050 pounds, | | | |
| at Toronto, per pound | 7.15 | 8.26 | 9.15 |

Sources: Prices and Price Indexes, Dominion Bureau of Statistics, and Livestock Market Review, Dominion Department of Agriculture.

For at least one commodity, cheese, prices for the restricted supplies which were permitted to be sold for consumption in Canada had reached a level far above the price received for the major portion sold to Britain under contract. In such cases, the Canadian Government has decided to place the price ceiling at the higher level reached by domestic prices.

When the Government's decision to establish a ceiling for wages and prices was announced, it was also stated that the Government recognized that special measures would be required to restore to agriculture its equitable share of the national income. Toward that end Orders-in-Council have been issued for the benefit of the western spring-wheat area. A maximum of \$20,000,000 has been authorized to be paid at the rate of 75 cents per acre (\$150 maximum per farm) on one-half of the cultivated acreage, including summer fallow and newly sown clover and grass crops. Assuming 200 million bushels of 1941 wheat produced in that area for sale, the maximum assistance of \$20,000,000 represents the equivalent of 10 cents per bushel of wheat, although for individual farmers the rate of assistance per bushel of wheat sold would differ widely.

For the benefit of farmers in eastern Canada, where feedstuffs are scarce, the Government has undertaken to pay all of the freight charges on feedstuffs shipped eastward from Fort William-Port Arthur or Armstrong, Ontario, after October 19, 1941. (See Foreign Crops and Markets, November 3, 1941, p. 545.) The authorized freight rate to the Montreal freight district is \$4.50 per short ton, slightly less to northern Ontario, and somewhat more to the Maritimes.

In addition, the Government has agreed to pay one-third of the freight charges on feedstuffs shipped eastward during the first 19 days of October and, in certain instances, the full freight charges on shipments since May 1 that were milled and/or stored for distribution after October 19. (See Foreign Crops and Markets, October 20, 1941, pp. 491-4.) The cost of this freight-assistance policy is expected to be between \$5,000,000 and \$6,000,000.

The significance of the \$20,000,000 authorized for Prairie farm-income payments may be judged from the fact that the estimated cash income from the sale of farm products in the Prairie Provinces was \$400,000,000 in 1940-41 and \$370,000,000 in the previous year. Similarly, the estimated \$5,000,000 or \$6,000,000 to be spent under the freight assistance policy is to be compared with cash income from the sale of farm products in the five eastern Provinces, amounting to \$358,000,000 in the calendar year 1940, of which \$257,000,000 was from livestock and livestock products.

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